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Erie County Mortgage Tax Receipts Decline

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By WKBW News
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(release) As proof that Erie County is experiencing the continued effects of the global and national recession, Erie County Comptroller Mark Poloncarz issued a report on mortgage tax receipts collected in 2010 and compared that to the prior three (3) years.

As identified in the report, 2010 mortgage tax collections totaled \$12,332,414.73, which is \$2.6 million (or 17%) less than 2009, \$1.6 million (or 11%) less than 2008 and almost \$5.2 million (or 30%) less than 2007. Additionally, except for the Fourth Quarter of 2010, every quarter of 2010 was less than the corresponding quarter for 2009.

Surprisingly, the report notes that while it was expected that increased home sales would occur as a result of the federal government's first time homebuyers tax-credit program, ultimately it does not appear the tax-credit program helped spur 2010 real estate sales secured by mortgages in an amount greater than 2009, or even 2008 for that matter.

The report also notes that each year Erie County makes two distributions of mortgage tax to the three cities, 25 towns, and 16 villages in the County. Based on the year-end data, only the Town of Sardinia realized an annual increase in revenues derived from the mortgage tax from 2007 to 2010. Every other town, city and village has experienced a reduction in mortgage tax revenues received in 2010 compared to 2007, although it should be noted that some municipalities did experience growth in 2008 and/or 2009, only to recognize significant reductions in 2010.

Poloncarz said, "The reduction in the mortgage tax collected reflects the weakened state of the economy and fewer or less expensive property transfers occurring in Erie County. Unlike other portions of our country, Erie County did not experience a boom real estate market. As such, when the worldwide recession of 2008 hit, the County's

real estate market did not falter as other areas did; however, the recession did negatively impact the market, and as a result, local governments. Therefore, our office recommends that all local government administrators continue to conservatively budget for future mortgage tax revenues.”

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